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29 APR 1947

MEMORANDUM FOR The Secretary of State
The Secretary of War
The Secretary of the Navy
Fleet Admiral William D. Leahy ✓

Subject: Testimony on National Security Act of 1947.

Enclosed herewith is the text of my statement in support of Section 202 of the National Security Act of 1947. This statement will be made before the Senate Armed Services Committee and the House Committee on Expenditures in the Executive Departments, on 29 April and 1 May respectively.

This statement has been prepared for insertion in the record. However, my appearance in both the Senate and the House will be in executive session. In view of this fact, I will include a short section indicating the necessity for clandestine operations which does not appear in the attached statement and which will not be placed in the record.

HOYT S. VANDENBERG
HOYT S. VANDENBERG
Lieutenant General, USA
Director of Central Intelligence

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FOR RELEASE ON DELIVERY

Statement of

LIEUTENANT GENERAL HOYT S. VANDENBERG
Director of Central Intelligence

Before The
Armed Services Committee
of the
United States Senate

On S. 758,
"The National Security Act of 1947".

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Mr. Chairman and members of the Committee:

My appearance before your Committee this morning is in support of Section 202 of the proposed National Security Act of 1947. This section of the bill would provide the United States, for the first time in its history, with a Central Intelligence service created by Act of Congress. Our present organization, the Central Intelligence Group -- which I have the privilege of directing -- has been in existence since January 1946, by authority of an Executive Directive of the President.

Since the day that the Central Intelligence Group was established, the Directors of Central Intelligence -- my predecessor, Admiral Souers, and I -- have looked forward to the time when we could come before the Congress and request permanent status through legislative enactment.

I sincerely urge adoption of the intelligence provisions of this bill. Section 202 will enable us to do our share in maintaining the national security. It will form a firm basis on which we can construct the finest intelligence service in the world.

In my opinion, a strong intelligence system is equally if not more essential in peace than in war. Upon us has fallen leadership in world affairs. The oceans have shrunk, until today both Europe and Asia border the United States almost as do Canada and Mexico. The interests, intentions and capabilities of the various nations on these land masses must be fully known to our national policy makers. We must have this intelligence if we are to be forewarned against possible acts of aggression, and if we are to be armed against disaster in an era of atomic warfare.

I know you gentlemen understand that the nature of some of the work we are doing makes it undesirable -- from the security standpoint -- to discuss certain activities with too much freedom. I feel that the people of this country, having experienced the disaster of Pearl Harbor and the appalling consequences of a global war, are now sufficiently informed in their approach to intelligence to understand that an organization such as ours -- or the Intelligence Divisions of the Armed Services, or the F.B.I. -- cannot expose certain of their activities to public gaze. I therefore ask your indulgence -- and through you the indulgence of the people -- to limit my remarks on the record this morning to a general approach to the subject of a Central Intelligence Agency.

I think it can be said without successful challenge that before Pearl Harbor we did not have an intelligence service in this country comparable to that of Great Britain, or France, or Russia, or Germany, or Japan. We did not have one because the people of the United States would not accept it. It was felt that there was something Un-American

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about espionage and even about intelligence generally. There was a feeling that all that was necessary to win a war -- if there ever were to be another war -- was an ability to shoot straight. One of the great pre-war fallacies was the common misconception that, if the Japanese should challenge us in the Pacific, our armed services would be able to handle the problem in a matter of a few months at most.

All intelligence is not sinister, nor is it an invidious type of work. But before the Second World War, our intelligence services had left largely untapped the great open sources of information upon which roughly 80 per cent of intelligence should normally be based. I mean such things as books, magazines, technical and scientific surveys, photographs, commercial analyses, newspapers and radio broadcasts, and general information from people with a knowledge of affairs abroad. What weakened our position further was that those of our intelligence services which did dabble in any of these sources failed to coordinate their results with each other.

The Joint Congressional Committee to Investigate the Pearl Harbor Attack reached many pertinent conclusions regarding the short-comings of our intelligence system and made some very sound recommendations for its improvement. We are incorporating many of these into our present thinking. The Committee showed that some very significant information had not been correctly evaluated. It found that some of the evaluated information was not passed on to the field commanders. But, over and above these failures were others, perhaps more serious, which went to the very structure of our intelligence organizations. I am talking now of the failure to exploit obvious sources; the failure to coordinate the collection and dissemination of intelligence; the failure to centralize intelligence functions of common concern to more than one department of the Government, which could more efficiently be performed centrally.

In the testimony which has preceded mine in support of this bill -- by the Secretaries of War and the Navy, General Eisenhower, Admiral Nimitz, and General Spaatz, among others -- there has been shown an awareness of the need for coordination between the State Department and our foreign political policies on one hand and our National Defense Establishment and its policies on the other. Similarly with intelligence, there must be coordination and some centralization, so that no future Congressional Committee can possibly ask the question asked by the Pearl Harbor Committee: "Why, with some of the finest intelligence available in our history -- why was it possible for a Pearl Harbor to occur?"

The Committee recommended that intelligence work have centralization of authority and clear-cut allocation of responsibility. It found specific fault with the system of dissemination then in use -- or, more accurately, the lack of dissemination of intelligence to those who had vital need of it. It stated that "the security of the nation can be

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insured only through continuity of service and centralization of responsibility in those charged with handling intelligence." It found that there is no substitute for imagination and resourcefulness on the part of intelligence personnel, and that part of the failure in this respect was "the failure to accord to intelligence work the important and significant role which it deserves." The Committee declared that "efficient intelligence services are just as essential in time of peace as in war."

All of these findings and recommendations have my hearty concurrence. In the Central Intelligence Group, and in its successor which this bill creates, must be found the answer to the prevention of another Pearl Harbor.

As the United States found itself suddenly projected into a global war, immense gaps in our knowledge became readily apparent. The word "intelligence" quickly took on a fashionable connotation. Each new war-time agency -- as well as many of the older departments -- soon blossomed out with intelligence staffs of their own, each producing a mass of largely uncoordinated information. The resultant competition for funds and specialized personnel was a monumental example of waste. The War and Navy Departments developed full political and economic intelligence staffs, as did the Research and Analysis Division of the O.S.S.. The Board of Economic Warfare and its successor, the Foreign Economic Administration, also delved deeply into fields of economic intelligence. Not content with staffs in Washington, they established subsidiary staffs in London and then followed these up with other units on the continent.

When, during the war, for example, officials requested a report on the steel industry in Japan or the economic conditions in the Netherlands East Indies, they had the reports of the Board of Economic Warfare, G-2, O.N.I. and the O.S.S. from which to choose. Because these agencies had competed to secure the best personnel, it was necessary for each of them to back up its experts by asserting that its particular reports were the best available, and that the others might well be disregarded.

As General Marshall stated in testifying on the unification bill before the Senate Military Affairs Committee last year, "...Prior to entering the war, we had little more than what a military attache could learn at a dinner, more or less over the coffee cups." From this start, we suddenly had intelligence springing up everywhere. But nowhere was its collection, production or dissemination fully coordinated -- not even in the armed forces. General Marshall pointed this out in his testimony when he mentioned "the difficulty we had in even developing a Joint Intelligence Committee. That would seem to be a very simple thing to do, but it was not at all."

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There are great masses of information available to us in peace as in war. With our war-time experience behind us, we know now where to look for material, as well as for what to look. The transition from war to peace does not change the necessity for coordination of the collection, production and dissemination of the increasingly vast quantities of foreign intelligence information that are becoming available. This coordination the Central Intelligence Agency will supply.

President Roosevelt established the Office of Strategic Services for the purpose of gathering together men of exceptional background and ability who could operate in the field of national, rather than departmental, intelligence. In weighing the merits of the O.S.S., one should remember that it came late into the field. It was a stop-gap. Overnight, it was given a function to perform that the British, for instance, had been developing since the days of Queen Elizabeth. When one considers these facts, the work of the O.S.S. was quite remarkable and its known failures must be weighed against its successes. Moreover, it marked a crucial turning point in the development of United States intelligence. We are now attempting to profit by their experiences and mistakes.

Having attained its present international position of importance and power in an unstable world, the United States should not, in my opinion, find itself again confronted with the necessity of developing its plans and policies on the basis of intelligence collected, compiled, and interpreted by some foreign government. It is common knowledge that we found ourselves in just that position at the beginning of World War Two. For months we had to rely blindly and trustingly on the superior intelligence system of the British. Our successes prove that this trust was generally well placed. However, in matters so vital to a nation having the responsibilities of a world power, the United States should never again have to go hat in hand, begging any foreign government for the eyes -- the foreign intelligence -- with which to see. We should be self sufficient. The interests of others may not be our interests.

The need for our own coordinated intelligence program has been recognized in most quarters. The Pearl Harbor disaster dramatized that need and stop-gap measures were adopted. As the war drew to a close, the President directed the Joint Chiefs of Staff to study the problem and draft recommendations for the future. The solution offered by the Joint Chiefs of Staff was referred to the Secretaries of State, War, and the Navy. The program which they evolved resulted in an Executive Directive from President Truman, dated 22 January 1946. With your permission, Mr. Chairman, I would like to introduce that Executive Directive into the record at this point.

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This Executive Directive established the National Intelligence Authority. It consists of four voting members -- the Secretaries of State, War and the Navy, and the President's personal representative, at this time his Chief of Staff, Fleet Admiral Leahy. A fifth member -- without a vote -- is the Director of Central Intelligence. The National Intelligence Authority was directed to plan, develop and coordinate all federal foreign intelligence activities, so as "to assure the most effective accomplishment of the intelligence mission related to the national security." These functions of the National Intelligence Authority are transferred to the National Security Council under Section 202 (c)(1) of the bill.

The President's Directive also provided for a Central Intelligence Group as the operating agency of the National Intelligence Authority. The functions, personnel, property and records of the Group are transferred to the new Central Intelligence Agency by Section 202 (c)(2) of the bill.

The Director of Central Intelligence is presently charged with the following basic functions:

1. The collection of foreign intelligence information of certain types -- without interfering with or duplicating the normal collection activities of the military and naval intelligence services, or the Foreign Service of the State Department.
2. The evaluation, correlation and interpretation of the foreign information collected, in order to produce the strategic and national policy intelligence required by the President and other appropriate officials of the Government.
3. The dissemination of the national intelligence produced.
4. The performance of such services of common concern to the various intelligence agencies of the Government as can be more efficiently accomplished centrally.
5. Planning for the coordination of the intelligence activities of the Government so as to secure the most effective accomplishment of the national intelligence objectives.

As we progress and determine the primary responsibilities of the various intelligence agencies within the Government, the functions of the C.I.G. will be aggressively, economically and efficiently executed to the best interests of all agencies. We feel confident that if Section 202 of this bill is enacted into law, the results will be efficiency and economy.

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I feel it is safe to say that in peace time approximately 80 per cent of the foreign intelligence information necessary to successful operation can and should be collected by overt means. By overt means I mean those obvious, open methods which require, basically, a thorough sifting and analysis of the masses of readily available material of all types and descriptions. Into the United States there is funnelled so vast an amount of information from so many varied sources that it is virtually staggering. It encompasses every field of endeavor -- military, political, economic, commercial, financial, agricultural, mineral, labor, scientific, technical, among others -- an endless and inexhaustible supply.

There exists a misconception in the minds of some people regarding the task intelligence is to perform in time of peace, as contrasted with its task in time of war. This misconception is that in wartime intelligence is more important and more difficult than in time of peace. This is a fallacy. In the midst of a war, our armed forces, with their intelligence services, gather vast amounts of strategic and tactical information. This may be secured through the underground, or resistance movements, reconnaissance, prisoner-of-war interrogation, and aerial photographs taken in spite of enemy resistance -- to mention a few. But these sources are drastically reduced as our forces return home. Such information, which can be collected during actual combat, is largely denied us in peace-time. In times of peace, we must rely on the painstaking study of that available overt material I mentioned a minute ago, in order to replace the material readily available during combat.

If we fail to take advantage of these vast masses of material, we are deliberately exposing the American people to the consequences of a policy dictated by a lack of information. We must realize also that we are competing with other nations who have been building up their intelligence systems for centuries to keep their leaders informed of international intentions -- to inform them long before intentions have materialized into action.

Among the primary collecting agencies in the field of foreign intelligence are the military, air and naval attaches of the defense establishment, and the Foreign Service officers of the State Department. The Central Intelligence Group can not and will not supplant these people. They do most valuable work in the field of collection. As national aims and needs in this field are established, their value will be increasingly apparent. This will be particularly true as the boundaries of departmental collection become firmly defined, and wasteful duplication and overlap are eliminated or reduced.

As I stated, it is not the province of the Central Intelligence Group to take over departmental collection activities. This is the type of collection which can best be done by the experts of the departments in their various fields.

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The role of the Central Intelligence Group is to coordinate this collection of foreign intelligence information and to avoid wasteful duplication. The State Department should collect political and sociological intelligence in its basic field. The Navy Department should devote its efforts primarily to the collection of naval intelligence. There should be no reason, for example, for the military attache to furnish the War Department with detailed political and political-economic analyses. This material should be collected by the State Department. If a military attache should receive political information, he should hand it right across the desk in the embassy to the appropriate member of the Foreign Service, and vice versa.

We are engaged in making continual surveys of all Government agencies to ascertain their requirements in foreign intelligence. When two or more agencies have similar or identical requirements, the collection effort for one can be made to satisfy all others. The only additional action necessary is the additional dissemination.

In determining, apportioning and allocating the primary field of responsibility among the various agencies of the Government, it is useful to note one additional factor. After this mass of material has been studied and evaluated, certain gaps in the over-all picture will be readily apparent. A centralized intelligence agency, intent on completing the national intelligence picture, must have the power to send out collection directives and request further material to fill these gaps. Once the initial field of collection is delineated, the responsibility for securing the additional information can be properly channeled and apportioned. Central intelligence, however, needs the authority granted originally by the President's Directive, and now by this proposed legislation, to coordinate all this foreign intelligence collection.

The second major component of a successful Central Intelligence Agency is that coming under the broad general heading of production. This involves the evaluation, correlation and interpretation of the foreign intelligence information gathered for the production of intelligence. It involves the process of systematic and critical examination of intelligence information for the purpose of determining its usefulness, credibility and accuracy. It involves the process of synthesis of the particular intelligence information with all available related material. It involves the process of determining the probable significance of evaluated intelligence.

Information gathered in the field is sent to the department responsible for its collection. This material is necessary to that department, in the course of its day-to-day operations. Each department must have personnel available to digest this information and put it to such use as is necessary within that department. The heads of Government departments and agencies must be constantly informed of the situation within their own fields to discharge their obligations to this country. With this departmental necessity, Central Intelligence will not interfere.

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Each department must evaluate and correlate and interpret that intelligence information which is within its own exclusive competence and which is needed for its own departmental use.

The importance of research to the Central Intelligence Agency becomes evident when we start to deal with intelligence on a national as distinguished from a departmental level. The research provided by the central agency must be turned to the production of estimates in the field of national intelligence. National intelligence is that composite intelligence, interdepartmental in character, which is required by the President and other high officials and staffs to assist them in determining policies with respect to national planning and security in peace and in war, and for the advancement of broad national policy. National intelligence is in that broad political - economic - military area, of concern to more than one agency. It must be objective, and it must transcend the exclusive competence of any one department.

One of the greatest contributions which a Central Intelligence Agency makes is the preparation of national intelligence estimates. Previously, if the President desired an over-all estimate of a given situation, he had to call, for example, upon the War Department, which would furnish him with the military and air picture; the Navy Department, which would present an estimate of the naval potentialities and capabilities; and on the State Department, which would cover the political and sociological picture. But nowhere would there be an over-all estimate. Nowhere was there such an estimate before Pearl Harbor. Each department would, of necessity, present an estimate slanted to its own particular field. Now it falls to the Central Intelligence Agency to present this over-all picture in a balanced, national intelligence estimate, including all pertinent data. From this the President and appropriate officials can draw a well-rounded picture on which to base their policies. And it should be clearly borne in mind that the Central Intelligence Agency does not make policy.

The estimates furnished in the form of strategic and national policy intelligence by the Central Intelligence Group fill a most serious gap in our present intelligence structure. These estimates should represent the most comprehensive, complete and precise national intelligence available to the Government. Without a central research staff producing this material, an intelligence system would merely resemble a costly group of factories, each manufacturing component parts, without a central assembly line for the finished product.

The third component of the successful Central Intelligence Agency is that dealing with dissemination. Just as there is no purpose in collecting intelligence information unless it is subsequently analyzed and worked into a final product, so there is no sense in developing a final product if it is not disseminated to those who have need of it. The dissemination of intelligence is mandatory to those officials of the Government who need it to make their decisions.

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A Central Intelligence Agency, properly cognizant of the intelligence requirements of the various departments and agencies, is best equipped to handle the dissemination to all departments of the material to meet these requirements. INT 74

The complexities of intelligence, the immensities of information available virtually for the asking, are so great that this information must reach a central spot for orderly and efficient dissemination to all possible users within the Government.

In addition to the functions mentioned, it is necessary for a Central Intelligence Agency to perform others of common concern to two or more agencies. These are projects which it is believed can be most efficiently or economically performed centrally. An example of such a service is the monitoring of foreign voice broadcasts. There are many departments of the Government vitally interested in this matter. No one department should shoulder the burden of its operation and expense. Nor should two or more agencies be duplicating the operation. It should rest with a central agency to operate such a service for all. Similarly, we have centralized the activities of the various foreign document branches which were operated by some of the services individually or jointly during the war.

I would call your attention to the fact that the kind of men who are able to execute the intelligence mission successfully are not too frequently found. They must be given an opportunity to become part of a secure and permanent agency which will grow in ability with the constant exercise of its functions in the fields of operations and research. We must have the best available men, working in the best possible atmosphere, and with the finest tools this Government can afford.

During the war, intelligence agencies were able to attract a great number of extremely intelligent, widely experienced, able men. Some are still available and might become members of the Central Intelligence Agency, should it become possible to insure them that career which was recommended by the Congressional Committee report I cited previously. It is very difficult to recruit such men before the will of Congress is made known. I do not wish to belabor this point, but it is most important.

In conclusion, I respectfully urge the passage of Section 202 of the bill under discussion, together with such additional legislation as is needed to make for operational efficiency. I urge your increased and continued interest in an intelligence system which can do much toward safeguarding our national security.

Such a system indicates the necessity for a Central Intelligence Agency to augment and coordinate these intelligence missions and functions of the armed services and the Department of State. Such an agency should be given the authority to provide research and analysis in the interest of national intelligence. We know that the passage of such legislation will enable us to establish a field attractive to men of outstanding background and experience in intelligence. These individuals will meet the challenge of the task before them -- the most stimulating in which men can serve their country -- by the production of a positive safeguard to the national security.

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